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COMMERCE FOR NMFS

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SUBJ: INTERNATIONAL OCEANS POLICYMAKING IN CANADA:
AMBITIOUS VISION, PAROCHIAL POLITICS

REF: OTTAWA 0094 (notal)

11. (U) This message is sensitive, but unclassified. Not for distribution outside USG channels.

12. (SBU) SUMMARY/INTRODUCTION: As they envision a global role, Canada's policymakers in the Department of Fisheries and Oceans (DFO) draw heavily upon Canadians' popular self-image as being active multilateralists, international consensus brokers, and (at least aspiring) leaders in resource stewardship. DFO brings some important strengths to the international table, including respectable scientific and operating capabilities, many international linkages, and (more or less) a single federal government ministry overseeing policy in this area (which facilitates decisions, though it may reduce their quality).

13. (SBU) At the same time, DFO suffers from some severe weaknesses as a policy-making department. DFO has yet to live down the blame for the collapse of the once-immense Northwest Atlantic groundfish (cod) resource in the early 1990s, nor the blame for its leading role during the preceding decade in Canada's mismanagement of the labor and industries that relied on fisheries. DFO's policy-making and fish management machinery appears to have remained largely unreformed since the cod collapse. Bureaucratically, DFO is horizontally disintegrated, with weak links to other departments, and large, semi-autonomous regional branches.

14. (SBU) Finally and most seriously, the political-electoral context in which DFO Ministers operate makes them highly responsive to parochial pressures in a few coastal regions (particularly Newfoundland and Nova Scotia), and leaves them with few or no incentives to consider the broad national interest, nor international matters (except possibly as a source of external enemies and scapegoats). There may yet be good results from Canada's global oceans policy vision, but in our view, such results would have to be realized in spite of, rather than due to, DFO's Ministers, the DFO Department, and Canadians' own experience. END

SUMMARY/INTRODUCTION.

BACKGROUND

15. (SBU) Since the collapse of the Northwest Atlantic groundfish resource in the late 1980s and early 1990s, and the bitterly reluctant cessation of cod fishing in 1993, Canada's Department of Fisheries and Oceans (DFO) has been living down its role in that collapse. Most outside experts view Canada's governments, led by DFO with the complicity of other federal and provincial departments, as having caused the destruction not only of the resource but also of the East Coast maritime economy.

16. (SBU) The beginning of the end is generally held to have been 1977, when the extension of Canada's exclusive economic zone (EEZ) to 200 nautical miles inaugurated a rush to exploit newly staked offshore resources. As the story is usually told, DFO and other government agencies facilitated the overexpansion of the fishery for more than a decade through a complex of mistaken policies: subsidizing the acquisition of boats and gear, building fish processing infrastructure in as many locations as possible, enriching income support programs (notably unemployment insurance) that caused young workers to choose the fishery over schooling or alternate occupations, expanding fishing quotas while biasing or ignoring scientific advice, and under-investing in enforcement.

17. (U) Groundfish catches fell steeply in the early 1990s until the government introduced a moratorium on cod fishing in 1993, with the hope that the stocks would begin to recover in a year or two. This did not occur. While federal and provincial government programs were adapted to suit the new circumstances, they continued to keep people attached to the fishery and to maintain capacity. Some fish

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catching and processing capacity was mothballed, but much effort was redirected to shellfish and previously "under-utilized" species. These have largely turned out to be high-value and have yielded good incomes. So far these species seem to have avoided the fate of the cod, though observers suggest this is due to their shorter life cycles and higher reproductive rates, rather than to implementation of "lessons learned" in fish management.

18. (U) DFO tried for some years to attribute the cod collapse to environmental or other factors (temperature change, seals), and one Minister (Brian Tobin) attained folk-hero status by dramatically highlighting the culpability of foreign long-distance fleets. However, most independent observers (and many within the GOC) saw GOC policies, and particularly DFO fish management practices over the long run, as having been primarily responsible, with strong encouragement from successive provincial governments, particularly in Newfoundland-Labrador.

BOLD VISION

19. (U) In 1997 Canada passed a law called the "Oceans Act" which it presented as a model for the future. DFO created a new Oceans Directorate, and the Act mandated DFO to develop an "overall strategic approach to oceans management" based on sustainable development, integrated management, and the precautionary approach. This led DFO into a decade of policy and "strategy" development exercises. In 2005, funds were allocated to implement the first phase of an Oceans Action Plan, and significant progress has been made toward creating Marine Protected Areas (MPAs).

110. (U) Cynics could say that DFO eventually came to terms with the cod collapse by describing it as part of a "global problem with many underlying causes." DFO's approach to overfishing is now expressed in its "International Fisheries and Oceans Governance Strategy," or IFOGS. According to IFOGS, a "holistic approach" is needed to combat global overfishing, including monitoring and surveillance, diplomacy, better governance of regional fisheries management organizations, and greater scientific understanding (particularly of straddling and highly migratory stocks).

¶11. (SBU) While these "strategic policy" exercises no doubt reflect a sincere effort by DFO to learn from the past and broaden its view, there is no perception among Canadians that the system that mismanaged the cod through the 1980s has been reformed, or that DFO has admitted the magnitude of its responsibility. DFO remains more or less solely responsible for managing Canada's marine fisheries, under the same political calculus and using more or less the same systems that have prevailed for decades. An update to the 140-year-old fisheries law is currently before Parliament, and this partly reflects an effort to de-politicize fish management. Nevertheless, DFO officials downplay the legislation - billing it as "just trying to catch up and codify what present practice is" Q"just trying to catch up and codify what present practice is" (reftel) - reinforcing the impression that little has really changed.

IMPORTANT STRENGTHS - AND WEAKNESSES

¶12. (U) As a policy-making organization, DFO has some important real or at least potential strengths, yet on examination, these tend not to be utilized. Examples include the following:

¶13. (U) SCIENCE - DFO has a large, diverse scientific establishment which is relatively autonomous and is located in institutes and field offices far from Ottawa. The problems of managing this establishment are not unique to DFO, rather they are common to most research organizations (succession planning, knowledge management, long-term budgeting). More problematic is whether and how DFO

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policymakers have based their decisions on the knowledge generated by this establishment. It is now widely believed that, at least in the years around the collapse of the cod stocks, much scientific advice about fish management was distorted and/or ignored, and scientists were pressured not to complain publicly about this. While these practices may have been reformed, there is no such perception among other stakeholders. As a result, while DFO has strong scientific assets, its credibility does not benefit accordingly.

¶14. (U) INTERNATIONAL LINKAGES - DFO offices, and particularly its operational and scientific staff, have strong and diverse international connections. A study at the end of 2006 found the department's employees had some 400 recent or ongoing international activities, which could be classed into navigation/safety/security (30%), science and hydrography (28%), policy, trade and development (22%) and fisheries and conservation (20%). (More than half of these 400 international activities involved the United States, and this measurement did not capture a significant amount of additional informal contact). As with operational and scientific knowledge, these international linkages appear to offer rich source data for DFO to develop international policy, but this data was scattered, hard to collect, and not being utilized.

¶15. (U) SINGLE POLICY SHOP - DFO international policy staff proudly note that they run Canada's "single policy shop" on international fisheries and oceans issues, in that the Department shares very little of its jurisdiction with provincial governments or other federal departments. (The Department of Foreign Affairs and International Trade (DFAIT) substantially cedes international fisheries and oceans policy to DFO). Unfortunately, there is a flip side to this coin: policy may lack the robustness that can be conferred by inter-agency process. DFO's links to other departments and agencies appear to be surprisingly weak (in the case of Foreign Affairs or Environment Canada) or non-existent (in the case of the Canadian International Development Agency). Even the Canadian Coast Guard and the Canadian Hydrographic Service - two significant agencies which formally report to the Minister of Fisheries and Oceans - are protective of their separate identities, and seem to play down their links to the department.

¶16. (U) OPERATIONAL CAPACITY - For a Canadian government organization, a remarkably high proportion of DFO's personnel are "boots on the ground" (or on the wharf, on deck, or in the chart room) who work out of regional and local offices and serve in

operational roles such as the Coast Guard, the Hydrographic Service, small harbor management and construction, navigational systems, fisheries management and enforcement, and fish habitat protection - not to mention science (below).

¶17. (SBU) Though the policymaking function must compete against all Q17. (SBU) Though the policymaking function must compete against all these operational concerns for the attention of the Minister and Deputy Minister, policymaking can also draw upon a very large number of contacts with reality, and the Department has a direct and visible role in stakeholder communities which should give it a useful "voter constituency." Unfortunately, these potential strengths are not fully realized; too many of those in policy development roles have virtually never been on a ship and are unlikely to stay long in the Department, while DFO's presence in communities can merely cause its decisions to be skewed by local electoral concerns.

THE FATAL FLAW: REGIONAL POLITICS

¶18. (SBU) Which brings us to what, in Embassy Ottawa's view, is the most serious challenge to Canadian fisheries and oceans policymaking: regional electoral politics. All of the weaknesses

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mentioned so far could arguably be overcome or mitigated by reform. It is much harder to see what can be done about the decisive concentration of fishery-related votes in certain provinces of Canada.

¶19. (SBU) In Newfoundland-Labrador, Prince Edward Island (PEI), the territory of Nunavut, and parts of Nova Scotia (NS), New Brunswick (NB), Quebec and British Columbia (BC), marine-based economic activity is a principal economic driver, so that fishery votes really matter to electoral outcomes. (This contrasts sharply with, for example, the States of Washington, Massachusetts, Florida and California, where fishery-related issues are tiny compared with other industries and concerns in those diverse, wealthy regional economies). Indeed, in Newfoundland and Labrador, issues like the governance/reform of a regional fishery management organization like the North Atlantic Fishery Organization (NAFO), or the denial of port privileges to foreign long-distance fishing fleets - questions which might seem obscure in other jurisdictions - draw intense voter attention.

¶20. (SBU) In Canadian general elections, where it takes as little as 100-120 seats to win federal power, ten or more seats in Atlantic Canada can easily tilt on fishing issues: three to seven in Newfoundland-Labrador, and two or three in each of NS, NB, PEI and Quebec. Normally, the top political concern of Canada's Minister of Fisheries and Oceans, a mid-level cabinet minister who more often than not holds one of these seats, is to deliver as many of them as possible to candidates for his/her political party. (The current Minister, Loyola Hearn, represents a riding in Newfoundland-Labrador.) International policymaking is guaranteed to be subordinate in the Minister's calculations, if it figures at all.

This narrow focus is likely to tighten even further in the next federal election as the Minister will have to overcome regional hostility over an ongoing dispute between Ottawa and the Atlantic provinces concerning Ottawa's treatment of natural resource revenue.

CONCLUSION/COMMENT

¶21. (SBU) Our conclusion is that too much of the crafting of Canada's international fisheries and oceans policy positions, and too much of the diplomatic work, falls to a few senior DFO officials without the benefit of an interagency process or ministerial engagement. But solution of these institutional-bureaucratic problems is at least a possibility (though the companies and fishers that currently influence DFO would likely resist). Even so, that would leave policymakers with the constraints of regional electoral politics. While offshore oil development has wrought some change in

eastern Newfoundland, and economic growth and resource developments have amazing power to transform "have-nots" into "haves," there seems little current prospect that such fishing-reliant constituencies will develop enough dramatic new economic drivers to dilute the power of the "fish vote."

WILKINS